

## Message Text

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14-11

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PA-01 USIA-06 PRS-01 SP-02

AGR-05 /045 W

----- 126700

R 181740Z MAR 75

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 99X

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMCONSUL PARAMARIBO

AMEMBASSY PORT OF SPAIN

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E.O. 11652: N/A

TAGS: ELAB, PINT, GY

SUBJECT: GOVT MAKES EFFORT TO END TWO-WEEK OLD SUGAR STRIKE

REF: (A) GEORGETOWN 0337 (B) GEORGETOWN 0388

1. SUMMARY: MAJOR DEVELOPMENTS IN TWO WEEK OLD SUGAR STRIKE  
INCLUDE PASSAGE OF NEW ARBITRATION LAW DESIGNED TO BREAK DEADLOCK  
IN NEGOTIATIONS, BACK TO WORK APPEAL BY ACTING PRIME MINISTER, AND  
FORMATION OF TENUOUS COMMON FRONT BY SUGAR WORKER UNIONS.  
PRESIDENT OF MANPOWER CITIZENS ASSOCIATION (RECOGNIZED UNION)  
SAYS THAT HIS UNION WILL ACCEPT COMPULSORY ARBITRATION, BUT

ATTITUDE OF PPP-LINKED GUYANA AGRICULTURAL WORKERS UNION (UN-  
RECOGNIZED BUT POWERFUL) IS UNCERTAIN. UP TO THIS POINT,  
STRIKE HAS BEEN PRIMARILY INDUSTRIAL RELATIONS DISPUTE, BUT IF  
STRIKE IS PROLONGED PAST POINT OF COMPROMISE, IT COULD BE TRANSFORMED  
INTO SERIOUS POLITICAL CONFRONTATION BETWEEN GOVT AND SUGAR WORKERS.  
END SUMMARY.

2. ON MARCH 17, RULING PEOPLE'S NATIONAL CONGRESS RUSHED ARBITRA-  
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TION BILL THROUGH NATIONAL ASSEMBLY IN ONE SITTING IN EFFORT TO

END STRIKE WHICH HAS PARALYZED SUGAR INDUSTRY SINCE BEGINNING OF MARCH (REF A). NEW LAW PERMITS MINISTER OF LABOR TO APPOINT ARBITRATION TRIBUNAL IN CASES OF LABOR DISPUTES IMPORTANT TO NATIONAL INTEREST AT REQUEST OF EITHER PARTY. PREVIOUS ARBITRATION LAW REQUIRED AGREEMENT OF BOTH PARTIES. GOVT WILL NOW BE ABLE TO CALL FOR ARBITRATION IN DEADLOCKED 1974-75 CONTRACT NEGOTIATIONS BETWEEN MANPOWER CITIZENS ASSOCIATION (MPCA) AND GUYANA SUGAR PRODUCERS ASSOCIATION. MPCA HAD PREVIOUSLY REFUSED TO ACCEPT ARBITRATION.

3. PASSAGE OF ARBITRATION BILL FOLLOWS RADIO ADDRESS TO NATION ON MARCH 15 BY ACTING PRIME MINISTER PTOLEMY REID. REID, FILLING IN FOR PRIME MINISTER BURNHAM WHO IS TOURING CHINA, UK AND ROMANIA, ADVISED WORKERS TO RETURN TO WORK AND WARNED OF CONSEQUENCES OF CONTINUED STRIKE. REID ARGUED THAT SUGAR WORKERS HAVE ALREADY BENEFITED FROM HIGHER SUGAR PRICES DIRECTLY THROUGH PROFIT SHARING AND PRODUCTION BONUSES AND INDIRECTLY THROUGH GOVT FOOD SUBSIDIES AND EFFORTS TO IMPROVE INFRASTRUCTURE IN RURAL AREAS. IN THIS CONTEXT, HE CONCLUDED, CURRENT STRIKE FOR HIGH WAGES AND BENEFITS IS "NOT JUSTIFIABLE". REID WARNED GOVT WILL NOT TOLERATE DISRUPTION OF SUGAR INDUSTRY FOR "SELFISH, ANTI-NATIONAL, POLITICAL PURPOSES".

4. IN FACE OF THIS GOVT AND INDUSTRY EFFORT TO FORCE ARBITRATION, GUYANA'S FOUR MAJOR SUGAR WORKERS UNIONS HAVE FORMED TENUOUS COMMON FRONT. GENERAL SECRETARIES OF MANPOWER CITIZENS ASSOCIATION (RECOGNIZED UNION FOR FIELD AND FACTORY WORKERS). GUYANA AGRICULTURAL WORKERS UNION (LABOR ARM OF CHEDDI JAGAN'S PEOPLES PROGRESSIVE PARTY AND UNRECOGNIZED RIVAL OF MPCA), NATIONAL ASSOCIATION OF AGRICULTURAL, CLERICAL AND INDUSTRIAL EMPLOYEES (RECOGNIZED UNION FOR CLERICAL WORKERS), AND GUYANA HEADMEN'S UNION (RECOGNIZED UNION FOR SOME SUPERVISORY PERSONNEL) SUBMITTED JOINT PROPOSAL TO MINISTER OF LABOR WINSLOW CARRINGTON ON MARCH 15. DEMANDS INCLUDED HIGHER MINIMUM WAGE, LARGE INCREASES IN OTHER WAGE CATEGORIES, OUT-OF-CROP SEASON EMPLOYMENT, AND CHANGING OF SUGAR LEVY INTO EXCESS PROFITS TAX. THESE DEMANDS ROUGHLY PARALLEL EARLIER TEN POINT PROGRAM OF GAWU, WHICH IS ONLY UNION OFFICIALLY ON STRIKE AND, ALTHOUGH UNRECOGNIZED, HAS GREATEST CONTROL OVER WORKERS. MPCA PRESIDENT RICHARD ISHMAEL ADMITTED TO EMBOFF THAT HE BELIEVES DEMANDS IN JOINT PROPOSAL ARE UNREALISTIC

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BUT HE AGREED TO PUBLICLY ASSOCIATE MPCA WITH THEM TO KEEP FROM BEING OUTFLANKED BY GAWU.

5. APPOINTMENT OF ARBITRATION TRIBUNAL, PROBABLY HEADED BY JUSTICE OF COURT OF APPEALS VICTOR CRANE, IS EXPECTED SHORTLY. MPCA PRESIDENT ISHMAEL SAID THAT MPCA WILL COOPERATE WITH TRIBUNAL. HE FEELS, HOWEVER, THAT GAWU WILL NOT ACCEPT ARBITRATION. IF GAWU REFUSES TO CALL OFF STRIKE AND WORKERS IN FACT REMAIN ON

STRIKE, STAGE COULD BE SET FOR MORE SERIOUS CONFRONTATION

WITH GOVT INCLUDING ARREST OF GAWU LEADERS FOR FAILURE TO COMPLY WITH ARBITRATION LAW. MOST OBSERVERS, HOWEVER, BELIEVE IT IS MORE LIKELY THAT WORKERS WILL GRADUALLY RETURN TO WORK TOWARDS END OF THIS WEEK.

6. COMMENT: NOW IN ITS THIRD WEEK, STRIKE IS FAST REACHING CRITICAL STAGE. UP TO THIS POINT, IT HAS BEEN PRIMARILY INDUSTRIAL RELATIONS DISPUTE OVER HOW MUCH WORKERS WILL BENEFIT FROM HIGH SUGAR PRICES, AND TIME NOW SEEMS RIPE FOR COMPROMISE. WORKERS, WITHOUT STRIKE FUND, ARE HURTING WHILE GOVT AND INDUSTRY REALIZE THAT CONTINUED STRIKE WOULD RESULT IN SERIOUS PRODUCTION SHORTFALL (REF B). ARBITRATION, WHICH HAS IN PAST PRODUCED SETTLEMENTS FAVORABLE TO WORKERS, WOULD SEEM TO SUIT NEEDS OF BOTH SIDES. HOWEVER, WORKER SUSPICION OF GOVT AND SUGAR INDUSTRY PROMISES AND EFFORT TO GAIN POLITICAL ADVANTAGE BY CHEDDI JAGAN, WHO HAS TAKEN PERSONAL CHARGE OF GAWU STRIKE, COULD PROLONG STRIKE PAST POINT OF COMPROMISE, IF THIS OCCURS, A MORE SERIOUS CONFRONTATION COULD TAKE PLACE BETWEEN GOML AND SUGAR WORKERS. MATTHEWS

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## Message Attributes

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